



To: All HOME & CDBG Recipients
From: IHFA Community Development Department
Date: May 31, 2002
Re: State Requirements for Loan Licensing

Notice: FSP-02-08

The Indiana Housing Finance Authority (IHFA) is sending out this memorandum to our local units government and non-profit grantees currently offering down payment, homebuyer, lease/purchase and owner occupied rehabilitation assistance where these regulations may apply.

The State of Indiana, Department of Financial Institutions, requires that any entity providing secondary financing that meet certain criteria must be licensed by the State of Indiana. The criteria are as follows:

1. The loan must be issued in the entities name.
2. The entity must be regularly engaged in making loans by issuing more the five (5) loans secured by a second mortgage (lien) or more than twenty-five (25) loans if not secured by a mortgage within a twelve (12) month period.
3. The debt repayment or contractual obligation must be for a term of more than four (4) installments or impose a finance charge at repayment.

An application for a loan license as well as a brochure on lending is available at the Department of Financial Institutions website: www.dfi.state.in.us under consumer credit.

If you any questions regarding this memorandum please contact the department of Financial Institutions at (317) 232-3955. Thank you.